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September 12, 2000

REC'D TN  
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OFFICE OF THE  
EXECUTIVE SECRETARY

VIA HAND DELIVERY

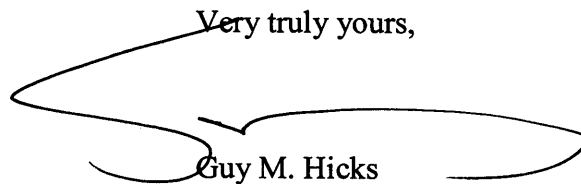
David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355 and  
Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*  
Docket No. 00-00544

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth's Surreply to the Data Coalition's Surrebuttal Comments to BellSouth's Proposed Interim Rates. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,



Guy M. Hicks

GMH:ch  
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

REC'D IN  
REGULATORY AUTH.

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In Re: *Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355 and  
Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*

EXECUTIVE SECRETARY

Docket No. 00-00544

**BELLSOUTH'S SURREPLY TO DATA COALITION'S  
SURREBUTTAL COMMENTS TO  
BELLSOUTH'S PROPOSED INTERIM RATES**

Pursuant to the Authority's Order of September 8, 2000 Granting Motion to File Surrebuttal Comments, BellSouth hereby files its Surreply in response to the Data Coalition's Surrebuttal Comments to BellSouth's Proposed Interim Rates and states as follows:

1. BellSouth's Nonrecurring Loop Rate

As set forth in BellSouth's Reply Comments, BellSouth has proposed interim nonrecurring charges of \$120.01 for the first Unbundled Copper Loop ("UCL") and \$85.63 for each additional loop. These rates are contained in the Kentucky BlueStar Amendment. While the Data Coalition references the rates in the Florida BlueStar Amendment, BellSouth explained in its Reply Comments why the Authority should not adopt such rates as interim rates for Tennessee.

The Data Coalition now contends that the nonrecurring charge of \$120.01 "is a fiction" because the rate does not include the cost of loop makeup information. Despite the Coalition's best efforts to impute ill motives to BellSouth, the Coalition's comments are misplaced. BellSouth *will* provide a CLEC with a UCL at the nonrecurring charge of \$120.01 in those situations in which the CLEC avails itself of the opportunity to conduct a mechanized loop makeup with a firm loop reservation. As stated in BellSouth's initial Comments, CLEC access

to mechanized loop makeup currently is in beta testing. As soon as the beta testing is complete, BellSouth will begin readiness testing for interested CLECs. At that point, any CLEC who chooses to conduct a mechanized loop makeup with facilities reservation can purchase a UCL at the nonrecurring rate of \$120.01.

What the Data Coalition refuses to accept is that in those circumstances in which CLECs avail themselves of a manual loop makeup inquiry, BellSouth is entitled to recover the costs incurred in conducting that inquiry. Despite the Data Coalition's insinuations to the contrary, BellSouth's proposal is not an attempt to deceive either the industry or the Authority. Rather, BellSouth has presented a straightforward proposal that compensates BellSouth for its costs under two scenarios – (1) those situations in which BellSouth performs a manual loop makeup on behalf of the CLEC; and (2) those situations in which the CLEC conducts a mechanized loop makeup on its own behalf and purchases only the UCL. The rates for these two scenarios are reasonable, and thus the Authority should adopt BellSouth's proposed interim rates for UCL.

## 2. BellSouth's SL1 Lines

BellSouth has been explicit throughout this proceeding that CLECs can, at their option, order SL1 loops to provision xDSL services. BellSouth has been equally clear, however, that BellSouth cannot guarantee that an SL1 loop will support any particular xDSL service. (*See* BellSouth's Response, at 6). SL1 loops are engineered to provide voice grade services. If a CLEC orders an SL1 loop, BellSouth will ensure that the loop meets the transmission requirements of an SL1; BellSouth cannot, however, maintain and repair that loop to support an xDSL service for which it was not engineered.

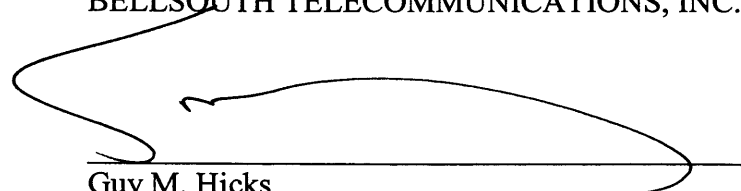
The Data Coalition is correct that BellSouth has the right to convert a copper SL1 loop to one served over another facility, such as DLC, at any time. BellSouth engages in such network

upgrades and optimization on an as-needed basis. These upgrades will not, however, disrupt any voice grade services provided over the SL1 loop. Thus, a CLEC who purchases an SL1 loop can be assured that such loop will meet the transmission characteristics of an SL1 loop regardless of the facility over which it is provided.

What BellSouth cannot guarantee is that an SL1 loop that may support a particular xDSL service today will always support that particular xDSL service. As BellSouth stated in its Response, if a provider wishes to purchase an SL1 loop to provide xDSL services, that certainly is the provider's option; BellSouth, however, cannot assure the provider that the SL1 loop will always support the xDSL service to be provisioned. BellSouth will, on the other hand, provide the service guarantees the Data Coalition apparently wants through its variety of xDSL loop offerings. The crux of this issue is that the CLECs want to receive all of the benefits of the xDSL loop offerings at the SL1 rates. The CLECs' position is the equivalent of ordering the filet mignon but paying the price for a hamburger. Such price arbitrage is patently unreasonable and thus the Authority should reject the Data Coalition's demands on this point.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A large, stylized handwritten signature in black ink, appearing to read 'Guy M. Hicks', is written over a horizontal line.

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### CERTIFICATE OF SERVICE

I hereby certify that on September 12, 2000, a copy of the foregoing document was served on the parties of record, via the method indicated:

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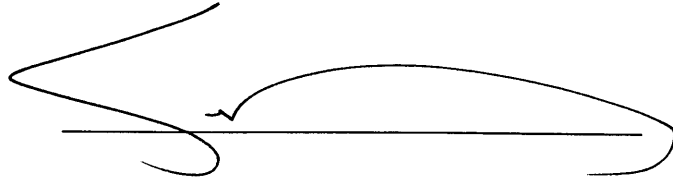
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A handwritten signature in black ink, appearing to read "Michael Bressman", written over a horizontal line.